IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE C.N.RAMACHANDRAN NAIR

FRIDAY, THE 14TH SEPTEMBER 2007 / 23RD BHADRA 1929

WP(C).No. 21282 of 2006(H)

PETITIONER:

COCHIN POLY PACK (P) LTD.,
58 B 1, VALLMATTOM ESTATE, P.O. JUNCTION,
MUVATTUPUZHA, REPRESENTED BY ITS DIRECTOR,
MRS.USHA SATHISH.

BY ADV. SMT.JAYASREE MANOJ
SRI.M.RISHIKESH SHENOY

RESPONDENTS:
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1. KERALA FINANCIAL CORPORATION
REPRESENTED BY ITS MANAGING DIRECTOR,
VELLYAMBALAM, THIRUVANANTHAPURAM-33.

2. THE BRANCH MANAGER,
KERALA FINANACIAL CORPORATION,
THODUPUZHA.

3. THE DIRECTOR OF INDUSTRIES AND
COMMERCE, THIRUVANANTHAPURAM-16.

R1&2 BY ADV. SRI.V.B.UNNIRAJ, SC

THIS WRIT PETITION (CIVIL) HAVING BEEN FINALLY HEARD ON 14/09/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

APPENDIX

PETITIONER'S EXHIBITS:

P1: TRUE COPY OF LETTER DT.13.5.2005 OF R3.

P2: TRUE COPY OF MINUTES OF MEETING HELD ON 8.6.2005.

P3: TRUE COPY OF PROPOSAL FOR ONE TIME SETTLEMENT OF THE DUES DT.4.7.2005.

P4: TRUE COPY OF LETTER DT.7.9.2005 OF R2.

P5: TRUE COPY OF LETTER DT.3.10.2005 SENT BY PETITIONER TO R1.

P6: TRUE COPY OF LETTER DT.27.10.2005 SENT BY PETITIONER TO R1.

P7: TRUE COPY OF LETTER DT.2.2.2006 OF R3 TO R1.

P8: TRUE COPY OF LETTER DT.14.2.2006 OF R2.

P9: TRUE COPY OF LETTER DT.9.3.2006 SENT TO R1.

P10: TRUE COPY OF LETTER DT.15.3.2006 SENT TO R3.

P11: TRUE COPY OF JUDGMENT DT.5.4.2006 IN WPC NO.9762/06 OF THE HON'BLE HIGH COURT OF KERALA.

P12: TRUE COPY OF LETTER DT.28.4.2006 ISSUED BY R1 TO PETITIONER.

P13: TRUE COPY OF LETTER DT.10.5.2006 ISSUED BY PETITIONER TO R1.

P14: TRUE COPY OF LETTER DT.28.5.06 ISSUED BY PETITIONER TO R2.

P15: .DO. DT.23.6.2006 .DO. R1 TO PETITIONER.

P16: .DO. DT.24.7.06 .DO. PETITIONER TO R1.

P17: .DO. DT.18.7.2006 .DO. R1 TO PETITIONER.

TRUE COPY

P.A. TO JUDGE

C.N.RAMACHANDRAN NAIR, J.

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W.P.(C) No.21282 of 2006

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Dated this the 14th day of September, 2007.

JUDGMENT

The petitioner availed industrial loan from KFC 20 years back and committed default. The KFC initiated recovery proceedings which is challenged in this W.P. Counsel for the petitioner submitted that petitioner has remitted a total of Rs.98 lakhs towards loan account and inspite of the same, balance demand as on 23.6.2006 was Rs.71.7 lakhs. Counsel for KFC submitted that all the payments are credited and balance claimed is strictly in accordance with the loan agreement. In any case I find from Ext.P15 that under SIDBI norms which obviously should apply to the petitioner, liability under OTS scheme as on that date would have been Rs.27.96 lakhs. Even if contract rate of interest is loaded on the OTS amount, the liability will be something around Rs.30 lakhs. However, petitioner did not offer higher amount for settlement and therefore, KFC rejected the application for OTS. Counsel for the petitioner expressed willingness to apply for OTS benefit even now. In the circumstances, I dispose of the W.P. by directing the first respondent to consider petitioner's application on petitioner making application for OTS and along with it

remitting rupees seven lakhs within one month from now. The first respondent is directed to grant OTS benefit to the petitioner under any prevailing scheme or under the SIDBI norms and grant reasonable time to the petitioner to make payment of OTS amount. However, if petitioner does not make payment and apply for OTS within one month, recovery can be continued. A detailed statement should be furnished by the local Branch of KFC showing details of payment credited, interest and other charges debited and balance liability to be paid.

C.N.RAMACHANDRAN NAIR
Judge

pms